IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of Robert I.G. MCLEAN, et al.

Application No. 09/574,569

Attorney Docket No. 350725-991100 (2101197)

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For: CONTINUOUSLY UPDATED DATA PROCESSING SYSTEM FOR MEASURING FINANCIAL VALUE CREATION

Group Art Unit: 3628

Examiner: Dass, Harish T.

APPEAL BRIEF

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May 25, 2007

Maria Paula Kovacs

Dear Sir/Madam:

This is a brief for an appeal filed in response to a non-final Office Action dated January 24, 2007, and from a Notice of Appeal that was filed on March 23, 2007.

TABLE OF CONTENTS

I. REAL PARTY IN INTEREST

The real party in interest in this appeal is the assignee of this application, the Canadian Institute of Chartered Accountants.

II. RELATED APPEALS AND INTERFERENCES

Appellant is unaware of any related appeals or interferences.

III. STATUS OF THE CLAIMS

The application was originally filed with Claims 1-52. Claims 1-52 remain pending and all stand rejected. This is an appeal of rejected Claims 1-52. Claims 1-52 are reproduced and attached in the Claims Appendix.

IV. STATUS OF AMENDMENTS

All offered amendments have been entered. The claims appear before the Board as they were twice rejected (Claims 1-52) and are attached in the Claims Appendix.

V. SUMMARY OF CLAIMED SUBJECT MATTER

Claim 1 recites a method of processing data relating to the performance of a business enterprise in creating value, the method comprising developing a data structure that includes assumed variables and, for each assumed variable, future or past events that influence the assumed variable. *See, e.g., Appellant's Specification as filed at p. 3, ll. 8-12; Figs. 7-9.* The method of Claim 1 further comprises determining a first present value of the future financial value stream by aggregating the influences attributable to the assumed variables and adjusting the future financial value stream for a time value of money. *See, e.g., id. at p. 3, ll. 12-15.* The method further comprises receiving data from a user indicating the occurrence or non-occurrence of one or more of the future events. *See, e.g., id. at p. 3, ll. 15-18.* The method further comprises determining, in response to the occurrence of one or more of the future events,

whether one of more of the assumed variables has changed and whether the future financial value stream has changed. *See, e.g., id.* The method further comprises determining a second present value of the future financial stream, taking into account any assumed variables that changed in response to the occurrence or non-occurrence of the future events. *See, e.g., id. at p. 3, ll. 18-20.*

Claim 9 also recites a method of processing data relating to the performance of a business enterprise in creating value, the method comprising developing a data structure that includes plurality of future financial value streams, where each future financial value stream has assumed variables that have an influence on a future financial value stream of the business enterprise, and where each assumed variable is linked to future or past events that influence the assumed variable. *See, e.g., id. at p. 3, ll. 21-25; Figs. 7-9.* The method of Claim 9 further comprises determining a present value for each future financial value stream by aggregating the influences attributable to the assumed variables and adjusting for a time value of money. *See, e.g., id. at p. 3, ll. 25-28.* The method further comprises aggregating the present value of each future financial value stream to form a first aggregate present financial value of the plurality of future financial value streams. *See, e.g., id. at p. 3, ll. 28-30.* The method further comprises receiving data from a user indicating the occurrence or non-occurrence of one or more of the future events. *See, e.g., id. at p. 3, l. 30 - p. 4, l. 2.* The method further comprises determining, in response to the occurrence of one or more of the future events, whether one of more of the assumed variables has changed and whether the future financial value stream has changed. *See, e.g., id.* The method further comprises forming a second aggregate present value of the plurality of future financial value streams taking into account any assumed variables that changed in response to the occurrence of non-occurrence of the future events. *See, e.g., id. at p. 4, ll. 2-5.*

Claim 17 also recites a method of processing data relating to the performance of a business enterprise in creating value, the method comprising developing a data structure that includes assumed variables and, for each assumed variable, future or past events that influence the assumed variable. *See, e.g., id. at p. 4, ll. 6-9; Figs. 7-9.* The method of Claim 17 further comprises determining a first present value of the future financial value stream as of a first specified date by aggregating the influences of the assumed variables and adjusting the future financial value stream for a time value of money. *See, e.g., id. at p. 4, ll. 9-12.* The method further comprises determining a second present value of the future financial value stream as of a second specified date in a similar manner. *See, e.g., id. at p. 4, ll. 12-16.* The method further comprises determining a variance between the first present value and the second present value taking into account a time value of money between the first and second dates. *See, e.g., id. at p. 4, ll. 16-17.* The method further comprises attributing the variance between the present values to events that occurred between the first and second specified dates. *See, e.g., id. at p. 4, ll. 17-19.*

Claim 21 also recites a method of processing data relating to the performance of a business enterprise in creating value, the method comprising selecting a stakeholder perspective for determining a present value of a future financial value stream. *See, e.g., id. at p. 4, ll. 20-23.* The method of Claim 21 further comprises developing a data structure that includes assumed variables that have an influence on the future financial value stream from the perspective of the selected stakeholder and, for each assumed variable, future or past events that influence the assumed variable. *See, e.g., id. at p. 4, ll. 23-26; Figs. 7-9.* The method further comprises determining a present value of the future financial value stream from the perspective of the selected stakeholder by aggregating the influences of the assumed variables and adjusting the future financial value stream for a time value of money. *See, e.g., id. at p. 4, ll. 26-30.*

Claim 29 also recites a method of processing data relating to the performance of a business enterprise in creating value, the method comprising developing a data structure that includes assumed variables and, for each assumed variable, future or past events that influence the assumed variable. *See, e.g., id. at p. 5, ll. 1-4; Figs. 7-9.* The method of Claim 29 further comprises identifying and segregating risks specific to the future financial value stream from risks specific to the business enterprise or industry as a whole. *See, e.g., id. at p. 5, ll. 4-6.* Probabilities are assigned to the events or assumed variables based on the identified risks. *See, e.g., id. at p. 5, ll. 6-7.* The method further comprises determining a first present value of the future financial value stream by aggregating the influences of the assumed variables, adjusting the future financial value stream by the assigned probability, and further adjusting the future financial value stream for a time value of money. *See, e.g., id. at p. 5, ll. 7-11.* The method further comprises receiving data from a user indicating the occurrence or non-occurrence of one or more of the future events. *See, e.g., id. at p. 5, ll. 11-13.* The method further comprises determining, in response to the occurrence of one or more of the future events, whether one of more of the assumed variables has changed and whether the future financial value stream has changed. *See, e.g., id.* The method further comprises determining a second present value of the future financial stream, taking into account any assumed variables that changed in response to the occurrence or non-occurrence of the future events. *See, e.g., id. at p. 5, ll. 13-16.*

Claim 37 also recites a method of processing data relating to the performance of a business enterprise in creating value, the method comprising developing a data structure that includes assumed variables and, for each assumed variable, future or past events that influence the assumed variable. *See, e.g., id. at p. 5, ll. 17-20; Figs. 7-9.* The method of Claim 37 further comprises determining a present value of the future financial value stream by aggregating the

influences of the assumed variables and adjusting the future financial value stream for a time value of money, wherein the events and assumed variables collectively form a base case scenario for the business enterprise and the first present value of the future financial value stream is based upon the base case scenario. *See, e.g., id. at p. 5, ll. 20-25.* One or more of the assumed variables is changed to form an alternate scenario including the changed assumed variables. *See, e.g., id. at p. 5, ll. 25-27.* The present value of the future financial stream is determined based upon the alternate scenario and is compared to the first present value based upon the base case scenario. *See, e.g., id. at p. 5, ll. 27-30.*

Claim 44 also recites a method of processing data relating to the performance of a business enterprise in creating value, the method comprising developing a data structure that includes assumed variables and, for each assumed variable, future or past events that influence the assumed variable. *See, e.g., id. at p. 5, ll. 1-5; Figs. 7-9.* The method of Claim 44 further comprises determining a first present value of the future financial value stream by aggregating the influences of the assumed variables, adjusting the future financial value stream by for a time value of money. *See, e.g., id. at p. 5, ll. 5-8.* A series of updated present values of the future financial value stream are repeatedly determined and presented. *See, e.g., id. at p. 5, ll. 8-9.* Each updated present value is determined from the events and assumed variables in the data structure, including any assumed variables that have changed in response to the occurrence or non-occurrence of the future events. *See, e.g., id. at p. 5, ll. 9-11.*

VI. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The grounds of rejection to be reviewed on appeal are as follows:

1) Claims 1-3, 5-11, 13-24, 26-30, 32-39, 41-46, and 48-52 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,812,988 to Sandretto.

2) Claims 4, 12, 25, 31, 40, and 47 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,812,988 to Sandretto, in view of U.S. Patent No. 6,456,982 to Pilipovic.

3) Claims 1-52 stand rejected under 35 U.S.C. § 101 as being directed to a non-statutory subject matter.

VII. APPELLANT'S ARGUMENT

A. The Procedural History of the Application Warrants an Expeditious Review and Decision by the Board.

Although appellant's application has been pending for almost seven years, the Examiner's latest office action does nothing to advance the prosecution of the application. Worse, the office action actually moves the prosecution of this application *backwards* by resurrecting past rejections that have already been overcome and withdrawn, and past requests for information that have already been fulfilled.

The Examiner's first four office actions in the examination of this application were based primarily on one reference, U.S. Patent No. 6,321,205 to Eder (hereinafter "Eder"). *Office Actions of Jan. 14, 2004, Aug. 11, 2004, Jun. 29, 2005, and Apr. 7, 2006.* Appellant repeatedly explained to the Examiner why Eder did not anticipate or render obvious the application's claims, but these attempts proved useless. *See Appellant's Responses of Apr. 29, 2004, Jan. 11, 2005, and Dec. 29, 2005.* Eventually, Appellant was forced to appeal the Examiner's rejections and again explain the shortcomings of Eder. *See Appeal Brief of Oct. 16, 2006.* In that appeal,

Appellant also objected to the Examiner's lengthy and repeated reliance on statements and examples that did not appear in the prior art and had no evidentiary support in the record. *Id. at pp. 8-11.*

Rather than address the substantive merits of Appellant's position, however, the Examiner withdrew the rejections based on Eder (apparently conceding that Eder did not anticipate or render obvious the application's claims), re-opened prosecution, and issued a new office action that replaced Eder with an even less relevant reference, U.S. Patent No. 5,812,988 to Sandretto (hereinafter "Sandretto"). *Office Action of Jan. 24, 2007 at p. 6.* Like the Examiner's previous four office actions, however, the latest office action fails to explain how the prior art renders any claim obvious and instead relies on conclusory statements and citations to varied and irrelevant sections of the prior art. Moreover, the Examiner — for no justifiable reason — makes a request for information that is baseless, vague, and too the extent comprehensible, was fulfilled over three years ago. *See Appellant's Oct. 14, 2003 Response to Request for Information pp. 2-6.* Remarkably, the Examiner bases his request on an alleged interview with the undersigned attorney in November 2006, which never occurred. *See Evidence Appendix, Ex. A, Declaration of David Alberti in Support of Appeal Brief.* Finally, the Examiner also includes a rejection under 35 U.S.C. § 101, despite having brought rejections under the same section over two years ago, only to withdraw them later. *See Office Actions of Jan. 14, 2004 and Aug. 11, 2004.*

In short, Appellant has been extraordinary patient during the prosecution of this application and has painstakingly addressed all of the Examiner's rejections. Despite Appellant's efforts, however, the Examiner's latest office action is a step *backwards* in the prosecution of this application. The current rejections based on Sandretto are more deficient

than the previous rejections based on Eder were, rejections based on § 101 have already been raised and withdrawn in long-past office actions, and the request for information is vague, duplicative, and based on an interview that never happened.

Accordingly, and for the reasons discussed below, Appellant respectfully requests that the Board expeditiously review the present case and its lengthy prosecution history, instruct the Examiner to withdraw his most recent request for information (or alternatively determine that it has already been satisfied), overturn all pending rejections, and instruct all claims to be allowed.

B. Claims 1-3, 5-11, 13-24, 26-30, 32-39, 41-46, and 48-52 are patentable over Sandretto.

The Examiner has rejected claims 1-3, 5-11, 13-24, 26-30, 32-39, 41-46, and 48-52 under 35 U.S.C. § 103(a) as being unpatentable over Sandretto. *Office Action of Jan. 24, 2007 at p. 6.*

The Board should overturn these rejections because Sandretto does not teach or suggest every element recited in each of the claims, and because Sandretto teaches away from the claimed invention.

1. The Examiner's rejection of claims 1-16 and 29-36 is deficient for failing to provide any explanation of how Sandretto discloses certain claim limitations.

To establish a *prima facie* case of obviousness, the prior art reference "must teach or suggest *all the claim limitations*" of a rejected claim. Manual of Patent Examining Procedure ("MPEP") § 706.02(j) (emphasis added). Independent claims 1, 9, and 29 of the present application each require, "receiving as input into the computer system data from a user indicating the occurrence or non-occurrence of one or more of the future events." *Claims Appendix, pp. 30, 33, and 40-41.* For example, Figure 8 of the appellant's specification shows three events ("Glaxo deal," "Impact of EU protocols," "Impact of Lily merger"), the occurrence or non-occurrence of which would be input into the computer system of the present invention.

In the Examiner's latest office action, however, he fails to explain how Sandretto teaches or suggests this claim limitation. In fact, he provides no discussion of this claim limitation at all. *See Office Action of Jan. 24, 2007 at pp. 6-8, 10-11, 18-19* (rejecting independent claims 1, 9, and 29 but failing to mention the limitation above). For this reason alone, the Examiner has failed to establish a *prima facie* case of obviousness for independent claims 1, 9, and 29 and the corresponding dependent claims 2-8, 10-16, and 30-36. Accordingly, claims 1-16 and 29-36 are patentable over Sandretto and the Board should overturn the § 103(a) rejection of these claims.

2. Sandretto does not disclose receiving data indicating the occurrence or non-occurrence of future events.

Even if the Examiner had addressed this claim limitation (which he did not), he would not be able to show that it is taught or suggested by Sandretto because Sandretto does not disclose receiving data indicating the occurrence or non-occurrence of future events.

Sandretto discloses a method of estimating asset value by estimating the asset's future earnings or cash-flow. *Sandretto at 2:30, 2:44-46, 2:60-61.* For a particular asset, such as a bond, the first step in Sandretto is to enter known information about the asset, such as the bond's maturity date and the amount of principal. *Id. at 19:15-21.* Next, the user enters estimates regarding an initial set of economic variables, such as expected industrial growth rate and estimated inflation rate. *Id. at 19:25-45.* In the Sandretto bond example, the user estimates the growth rate to be 3.0% annually. *Id. at 19:27-28.* Based on the user's estimates, *n* additional sets of estimates are automatically generated by a computer. *Id. at 19:46-62.* In the bond example, the computer may generate additional growth rates of 2.8%, 3.3%, and 3.5%. *Id. at 10:36-38, 19:51-56.* Using this data, the computer generates, for each of the *n* estimates: an initial estimate of the asset's cash flow, an initial estimate of the asset's risk measure (β), and the asset's discount rate. *Id. at 19:63-20:31.* This data, in turn, is used to produce *n* simulated

returns for the asset. *Sandretto at 20:32-33*. Each simulated return is then used to generate a revised risk measure (β). *Id. at 20:61-63*. If the revised β is substantially different from the initial estimate of β, the computer repeats its calculations using a new estimate of β. *Id. at 21:9-17*. These iterations continue until the initial and final values of β are sufficiently close. *Id. at 21:17-34*. The computer may also perform additional iterations based on similar comparisons of other values. *Id. at 21:35-64*. Finally, the method will have generated an estimated risk measure and estimated value for the asset. *Id. at 21:64-67*.

Nothing in Sandretto, however, discloses receiving data indicating the occurrence or non-occurrence of future events. The word "event" occurs only once in the Sandretto specification (5:27), and it is used in relation to *past* events (not future events) that are intentionally *excluded* (not input as data) in a simple linear regression equation (not the Sandretto method). *Id. at 5:20-27*. The only data that a user provides to the computer system in Sandretto is: (1) known details about the asset being valued (such as a bond's amount of principal), which is not the occurrence or non-occurrence of a future event; and (2) estimates about future variables (such as the annual growth rate), which may deal with future events but are only *predictions*, not data indicating the actual occurrence or non-occurrence of those events.

This is in consistent with the contrasting goals of Sandretto versus the present invention. The Sandretto valuation method is designed to provide valuation data for a particular point in time, i.e. *a snapshot* of an asset's value, so that the user can buy or sell the asset accordingly. *See, e.g., id. at 16:4-19*. Thus, Sandretto has no need for future events. The present invention, by contrast, analyzes changes in value potential of future financial value streams *as events unfold over time*.

Because of this disparity, Sandretto actually *teaches away* from inputting data about the occurrence or non-occurrence of future events. Sandretto teaches that the user should enter all relevant data in one sitting rather than enter additional data as events unfold over time. *Id. at 16:4-16.*

Because Sandretto does not disclose, has no use for, and actually teaches away from entering data indicating the occurrence or non-occurrence of one or more future events, it does not anticipate claims 1-16 or 29-36. Accordingly, the Board should overturn the § 103(a) rejection of these claims.

3. Sandretto does not disclose determining whether the occurrence or non-occurrence of future events has changed assumed variables or the financial value stream.

Independent claims 1, 9, and 29 of the present application each require:

> determining, by use of the computer system and in response to the occurrence or non-occurrence of one or more of the future events, whether one or more of the assumed variables has changed and whether the influenced future financial value stream has changed.

Claim Appendix pp. 30, 33, and 40-41. Sandretto does not disclose this claim limitation and the Examiner has not cited any evidence that shows otherwise.

Sandretto discloses a method of calculating asset valuation where the user inputs data about the asset and estimates about certain economic variables, and immediately obtains an estimate of the asset's value. As discussed above, however, the user never enters data relating to the occurrence or non-occurrence of future events. Thus, it is impossible for Sandretto to determine whether the occurrence or non-occurrence of such events has changed assumed variables of the financial value stream.

The Examiner has not cited any evidence that shows otherwise. In the Examiner's latest office action, he admits that Sandretto does not explicitly disclose this claim limitation. *See, e.g.,*

Office Action of Jan. 24, 2007 at p. 7. He does, however, list citations to Sandretto that supposedly disclose this claim limitation *implicitly*. But none of these portions of Sandretto disclose this claim limitation, implicitly or otherwise.

Sandretto column 2, lines 44-59 merely introduce the concept of estimating asset value using a process where an asset's future earnings are discounted to determine the asset's current value. Sandretto column 3, lines 8-38 disclose that there a variety of ways to estimate values for economic variables. They also disclose some economic variables that are used by the Sandretto valuation method, such as risk premiums and inflation rates. Column 6 lines 14-30 disclose factors that are generally used in the arbitrage pricing theory (APT) equation, such as inflation rates, oil prices, and interest rates. Column 10 lines 44-48 disclose adjusting an estimated cash flow for inflation. The cited elements of Figure 2 relate to Sandretto's iterative process, where a valuation estimate is revised if it is at odds with other data that was previously calculated (such as the initial measure of risk). None of these citations, however, disclose determining whether the occurrence or non-occurrence of an event has changed assumed variables or the future financial stream. Nor does the rest of Sandretto.

The Examiner's contention that Sandretto implicitly discloses this claim limitation also includes the puzzling parenthetical, "(inflation may rise/fall (see adjusting inflation), interest may go up/down (adjusting interest), economy may grow, default premiums)." *Id. at p. 7.* The Examiner fails to tie this parenthetical to any citation to Sandretto, a deficiency that contravenes Federal Circuit precedent and that the appellant has admonished the Examiner for before. *In re Zurko*, 258 F.3d 1379, 1385-86 (Fed. Cir. 2001) (explaining that grounds of rejection must have support in the record and cannot simply come from one's own understanding or experience); *see Appellant's Appeal Brief of October 16, 2006* (explaining at length that the Examiner's rejections

based on his own conjecture and assumptions were improper). Accordingly, this parenthetical (and the others like it that appear throughout the Examiner's latest office action) must be summarily disregarded.

Even assuming that this parenthetical is a proper ground of rejection (which it is not), it provides nothing in support of the Examiner's contention. Inflation rates may change and interest rates may change, but these factors in Sandretto are taken into account as economic variables for which the user provides estimates (e.g. 3.0%) and for which the computer may generate an set of extra estimates as well (e.g. 2.8%, 3.3%). Sandretto does *not* consider these factors by waiting for them to occur or not occur, having the user input data regarding whether they occurred, and determining whether their occurrence or non-occurrence changed any assumed variables or the future financial stream.

Because Sandretto does not disclose linking assumed variables to events, it does not anticipate any claims of the present application. Accordingly, the Board should overturn the § 103(a) rejection of claims 1-16 and 29-36.

4. Sandretto does not disclose at least one future or past event linked to each assumed variable that influences the assumed variable.

Each of the present application's independent claims require "one or more assumed variables that have an influence on a future financial stream" and "at least one future or past event linked to each assumed variable that influences the corresponding assumed variable." *See, e.g., claim 1, at Claim Appendix p. 30.* Sandretto does not disclose linking one or more future or past events to such assumed variables, and the Examiner has not cited any evidence that shows otherwise.

Sandretto discloses a method of calculating asset valuation where the user provides estimates for the values of certain economic variables, such as growth rates and inflation rates.

These variables, however, are not linked to events because the concept of events is entirely absent from Sandretto, as discussed above.

Moreover, Sandretto *teaches away* from the concept of linking assumed variables to events. Sandretto accounts for the uncertainty in estimating economic variables *not* by linking them to events, but by generating a set of slightly varying estimates for each variable. For example, if a user estimates a growth rate of 3.0% annually, Sandretto will automatically generate a set of additional possible growth rates, such as 2.8%, 3.3%, and 3.5%, and include these figures in its calculations. *Sandretto at 10:36-38, 19:51-56.* Thus, Sandretto teaches dealing with the uncertainty in economic variables by associating the economic variable with a set of user-generated and computer-generated estimates rather than linking the variable to events.

The Examiner has not cited any evidence to the contrary. In the Examiner's latest office action, he lists citations to Sandretto that supposedly disclose linking events to assumed variables. *E.g., Office Action of Jan. 24, 2007 at pp. 6-7.* None of these portions of Sandretto, however, disclose this claim limitation.

Sandretto column 9, lines 46-55 merely discloses three types of inputs that a user must provide to use the Sandretto method: (1) estimated economic variables; (2) estimated operating, financing, and accounting variables; and (3) a risk-return type asset pricing model (such as the well-known CAPM and APT pricing models discussed in Sandretto's background section). None of these inputs, however, describe events. Nor do they tie events to the economic variables. Sandretto column 10, lines 9-23 discloses automatically generating a set of varying estimates for at least one of the estimates input by the user, as discussed above (e.g. the varying growth rates). This portion of Sandretto actually *teaches away* from linking events to assumed variables, as discussed above. The cited portions of Figures 1 and 2 simply parallel the citations

to the specification. In summary, none of these citations disclose linking assumed variables to events. Nor does the rest of Sandretto.

After these citations, the Examiner again lists an improper parenthetical: "(coupon rate, interest payment date, maturity date, etc.)." This parenthetical appears after the citation to Sandretto column 10, lines 9-23 but it has no support in that citation or any of the related Sandretto citations. For this reason, the parenthetical should be summarily regarded, as discussed above.

Even assuming this parenthetical is a proper ground of rejection (which it is not), it adds nothing to the Examiner's contention. The maturity date of a bond, for example, may be a future event, but it's not an event that is tied to any economic variable in Sandretto. Specifically, Sandretto teaches entering the bond's maturity date *not* as an event, *not* as an economic variable, but simply as a characteristic of the bond, such as the bond's amount of principal. *Sandretto at 19:9-14.* Thus, the maturity date is linked to the asset, not an economic variable such as the inflation rate or growth rate. This makes sense because a bond's maturity date is guaranteed to occur at a certain period of time. There is no need to monitor, for example, whether the bond actually matures or not – it is guaranteed to mature on that date. Thus, the maturity date's impact on the asset's value can already be determined with certainty and, therefore, there is no need to link it to any economic variable.

Because Sandretto does not disclose determining whether the occurrence or non-occurrence of future events has changed assumed variables or the financial value stream, it does not anticipate any claims of the present application. Accordingly, the Board should overturn the § 103(a) rejection of all pending claims.

C. Claims 4, 12, 25, 31, 40, and 47 are patentable over Sandretto in view of Pilipovic.

The Examiner has rejected claims 4, 12, 25, 31, 40, and 47 under 35 U.S.C. § 103(a) as being unpatentable over Sandretto in view of U.S. Patent No. 6,456,982 to Pilipovic, et al. (hereinafter "Pilipovic"). *Office Action of Jan. 24, 2007 at p. 26.*

The Board should overturn these rejections because Sandretto and Pilipovic does not teach or suggest every element recited in each of the claims, because Pilipovic does not disclose the claimed "reliability index," and because there is no apparent reason to combine Pilipovic with Sandretto.

1. The parent claims of claims 4, 12, 25, 31, 40, and 47 are patentable over Sandretto.

As an initial matter, the rejection of these claims is based on the assumption that their parent claims are unpatentable over Sandretto. Because those parent claims are indeed patentable over Sandretto, as discussed above, this assumption is false. Accordingly, the rejection of claims 4, 12, 25, 31, 40, and 47 in light of Sandretto and Pilipovic should be overturned.

2. Pilipovic does not disclose the claimed reliability index.

Claims 4, 25, 31, 40, and 47 of the present application each require:

> determining a reliability index that is indicative of relative magnitudes of the present value of the future financial value stream attributable to past events and the present value of the future financial value stream attributable to future events

Likewise, claim 12 of the present application requires:

> determining a reliability index that is indicative of relative magnitudes of the second aggregate present value of the plurality of future financial value streams and an aggregation of present values of the plurality of future financial value streams attributable to past transactions

In the claimed invention, the assumptions that are used to calculate the present value of a value stream are related to past or future events. It is therefore possible to separate the assumptions that are linked to past events from those linked to future events. It is further possible to calculate that portion of a present value stream that is linked to past events and that portion of the present value stream that is linked to future events.

For example, as noted in the pending application, "the reliability index may be determined from the following formula:

$$\text{reliability index} = PV_p/(PV_f + PV_p)$$

where PV_p is the present value attributable to past events (and related assumptions) and PV_f is the present value attributable to future events (and related assumptions)." *Appellant's Specification as filed at p. 26.* The higher the result (expressed as a fraction of 1), the greater the reliability of the estimate. *Id.* It will be apparent that PV_f and PV_p may be combined in another way to determine a reliability index. *Id.*

The reliability index provides a comparative indication of the degree to which calculated outcomes (e.g., present values) are attributable to assumptions based on events that have already occurred, versus assumptions based on future events. *Id.* For example, if future sales projections are based on achieving a certain market share, and that market share has already been achieved, one would be inclined to place more reliance on those projections than if all required market gains were still in the future. *Id.*

The Examiner admits that Sandretto does not disclose the claimed reliability index. *Office Action of Jan. 24, 2007 at p. 27.* Similarly, Pilipovic does not disclose the claimed reliability index and the Examiner has not cited any evidence that shows otherwise.

Pilipovic generally discloses a computer simulation system for generating and testing projected data. *Pilipovic at 7:50-62.* Part of the disclosure relates to calculating a probability distribution, which specifies the probabilities for each possible value (or certain ranges of values) of some variable. *See id. at 3:30-38.* The probability distribution is used to calculate the expected forward price of a financial product (i.e., a risk-adjusted future price). *Id at 1:41-44, 3:34-35.* By contrast, the reliability index of the present invention does *not* specify the probability of future events or variables – it simply measures how reliable an estimated value is. The reliability index does *not* consider whether a future event has a high probability or low probability of occurring – it considers only whether the events on which an estimated value is based have already occurred or have yet to occur. Accordingly, the probability distribution in Pilipovic is not comparable to the claimed reliability index.

The Examiner has not cited any evidence to the contrary. In the Examiner's latest office action, he lists citations to Pilipovic that supposedly disclose a reliability index. *Office Action of Jan. 24, 2007 at p. 27.* None of these portions of Pilipovic, however, disclose a reliability index.

Column 1, line 21 to column 2, line 50 describes the background of Pilipovic as being related to mathematical and statistical techniques used to estimate the likelihood of future events. Column 3, lines 30-38 refer to calculating a probability distribution of future cash flow that can be used to determine the price that one could pay today in order to receive an uncertain cash flow. Column 16, lines 10-16 refer to the possibility of constructing such a probability distribution based on a statistical analysis of historical forward price behavior. Figure 14b refers to market price volatility measured over time and Figure 14d refers to market price correlations measured over time. None of these citations, however, disclose the claimed reliability index. Nor does the rest of Pilipovic.

Because Pilipovic does not disclose the claimed reliability index, it does not anticipate claims 4, 12, 25, 31, 40, or 47. Accordingly, the Board should overturn the § 103(a) rejection of these claims.

3. There is no apparent reason for the proposed combination of Sandretto and Pilipovic.

Even if the combination of Sandretto and Pilipovic disclosed each and every element of claims 4, 12, 25, 31, 40, and 47 (which they do not), the Examiner has still failed to establish a *prima facie* case of obviousness because he has not pointed to an apparent reason to combine the identified teachings of Sandretto and Pilipovic.

The Supreme Court recently re-emphasized that "a patent composed of several elements is not proved obvious merely by demonstrating that each element was, independently, known in the prior art." *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 167 L. Ed. 2d 705, 722 (2007). This is so because "inventions in most, if not all, instances rely upon building blocks long since uncovered, and claimed discoveries almost of necessity will be combinations of what, in some sense, is already known." *Id.* Instead, there must be "an apparent reason to combine the known elements in the fashion claimed by the patent at issue." *Id.* Moreover, any analysis that concludes such a reason exists "should be made explicit." *Id.* Finally, determination of obviousness cannot be based on the hindsight combination of components selectively culled from the prior art to fit the parameters of the patented invention. *ATD Corp. v. Lydall, Inc.*, 159 F.3d 534, 546 (Fed. Cir. 1998); *see also KSR*, 167 L. Ed 2d at 724 (warning against "the distortion caused by hindsight bias").

In the Examiner's latest office action, he says, "[i]t would have been obvious at the time the invention was made to a person having ordinary skill in the art in financial reliability and risk assessment to modify the disclosure of Sandretto and include reliability index, as taught by

Pilipovic, to calculate and predict the uncertain future value forecast and goal to meet [sic]." *Office Action of Jan. 24, 2007 at p. 27.* As discussed above, however, Pilipovic does not disclose the claimed reliability index. Thus, there can be no apparent reason to combine Sandretto and Pilipovic in order to determine the claimed reliability index because neither reference discloses such a reliability index.

Moreover, even if some part of Pilipovic disclosed the claimed reliability index (which it does not), the Examiner has still failed to provide any apparent reason to combine these two references. In attempting to point to an apparent reason to combine Sandretto and Pilipovic, the Examiner says that one would combine these references "to calculate and predict the uncertain future value forecast and goal to meet [sic]." *Id.* But this alleged motivation to combine makes no reference to reliability indexes, let alone to a reliability index that indicates the relative magnitude of the present value of a future financial value stream that is attributable to past events versus future events. Indeed, as discussed above, the citations to Pilipovic provided by the Examiner have nothing to do with the claimed reliability index. The Examiner has simply used Appellant's claims as a blueprint to selectively cull elements from the prior art and combine them in a failed attempt to fit the parameters of the claimed invention.

Because the Examiner has failed to point to any evidence of record showing an apparent reason to combine the identified disclosures of Sandretto and Pilipovic, the Examiner has failed to satisfy his burden of showing a *prima facie* case of obviousness. Accordingly, the Board should overturn the § 103(a) rejection of claims 4, 12, 25, 31, 40, and 47.

D. Claims 1-52 claim patentable subject matter under 35 U.S.C. § 101.

The Examiner has rejected claims 1-52 under 35 U.S.C. § 101 as being directed to a non-statutory subject matter. Specifically, the Examiner has rejected the claims because they "do not produce 'concrete' results and have no utilities." *Office Action of Jan. 24, 2007 at p. 2.*

The Board should overturn this rejection because it is untimely and unnecessarily delaying the prosecution of the present application, because the claimed invention has at least four practical applications that are described in the specification, and because the claimed invention produces a useful, concrete, and tangible result.

1. The Examiner's § 101 rejection is untimely and unnecessarily delaying the prosecution of the present application.

As an initial matter, the Examiner's rejection under § 101 in his latest office action is untimely and unnecessarily delaying the prosecution of the present application, as discouraged by MPEP § 2106(II). That section of the MPEP notes that, "[u]nder the principles of compact prosecution, each claim should be reviewed for compliance with *every* statutory requirement for patentability in *the initial review* of the application." MPEP § 2106(II) (emphasis added). The Examiner's latest office action is his *fifth* office action in the prosecution of this application and was made over *three years* after his first office action. Moreover, it is his *third* office action since the claims were last amended and his *seventh* communication with the Appellant. Although the claims have been amended, there is no reason that this § 101 rejection could not have been made in his *first* office action.

Indeed, the Examiner made § 101 rejections in his January 14, 2004 and August 11, 2004 office actions. Appellant addressed those rejections and the Examiner withdrew them. But neither the scope nor the language of the claims has changed since then, which makes these

rejections appear, at best, obstructive in nature. For all these reasons, the Board should summarily disregard the Examiner's § 101 rejection.

2. The present invention has at least four practical applications that are described in the specification.

The Examiner's contention that the present application's "disclosure is short on specifics as to explicitly how the result (of the claimed invention) is used" ignores at least four practical applications of the claimed invention that are outlined the specification. *Office Action of Jan. 24, 2007 at p. 6.* The MPEP explains that "statements made in the specification" may identify the practical applications of the invention and that although an applicant may assert more than one practical application, "only one is necessary to satisfy the utility requirement" of 35 U.S.C. § 101. MPEP § 2106(II)(A). The specification of the present application explains that "the most important assets of many enterprises are not plant and equipment but rather knowledge, ideas, and skills." *Appellant's Specification as filed at p. 1, ll. 15-16.* But these assets and the value streams that flow from them "are not adequately captured by traditional accounting methods." *Id. at p. 1, l. 18.* By addressing the shortcomings of traditional accounting methods and providing a reliable, timely method of measuring the present value of future financial value streams, the present invention facilitates at least four practical applications, all of which are described in the specification:

1. strategic planning for the enterprise; (*Id. at p. 3, ll. 4-5.*)
2. optimal resource allocation by capital markets; (*See id. at p. 1, ll. 23-25.*)
3. rational assessment of the performance of a business enterprise; and (*See id. at p. 1, ll. 20-21.*)
4. assisting a business's management in making decisions about alternative financial scenarios. (*Id. at p. 27, ll. 4-6.*)

As explained above, any one of these practical applications is sufficient to satisfy the utility requirement of 35 U.S.C. § 101. Accordingly, the Board should overturn the § 101 rejection of claims 1-52.

3. The claimed invention produces a useful, concrete, and tangible result.

The Federal Circuit has used the phrase "useful, concrete, and tangible result" in only three cases and has yet to define it. *See* MPEP § 2106(II)(A) ("the courts have yet to define the terms useful, concrete, and tangible ..."). Thus, the part of the Examiner's rejection that is supposedly based on "the definition of 'concrete'" in fact has no basis, and should be disregarded by the Board. *Office Action of Jan. 24, 2007 at p. 6.* Indeed, the Examiner never even provides a proposed definition of "concrete."

Whether an invention produces a "useful, concrete, and tangible" result is best determined by comparing the invention to the inventions in cases where the Federal Circuit has found that such a result exists. Of the three cases where the Federal Circuit has used the phrase "useful, concrete, and tangible," the case with the invention most like the present invention is *State St. Bank & Trust Co. v. Signature Fin. Group*, 149 F.3d 1368 (Fed. Cir. 1998) ("*State Street*"). In that case, the Federal Circuit held that the "transformation of data, representing discrete dollar amounts, by a machine through a series of mathematical calculations into a final share price" produced a useful, concrete, and tangible result. *Id.* at 1373. Specifically, the result was "a final share price momentarily fixed for recording and reporting purposes and even accepted and relied upon by regulatory authorities and in subsequent trades." *Id.*

For purposes of § 101, the results of the present invention are highly similar to the results in *State Street*. Like the final share price in *State Street*, the present invention produces present values of future financial value streams. *See, e.g., claim 1, at Claim Appendix p. 30.* Also like

State Street, the result of the present invention is "momentarily fixed" because it is the result of a computer-implemented method and, therefore, must be stored at least momentarily in the computer's memory. And because the result is stored in the computer's memory, it is available "for recording and reporting purposes," as the specification contemplates when it discusses using the information for the four purposes listed above. Finally, and again like *State Street*, the results of the present invention can be "accepted and relied upon" by various entities including capital markets and a business's management, as discussed above. In short, there is no difference between the result of the present invention and the result of the *State Street* invention for purposes of § 101.

The Examiner cannot show otherwise. His § 101 rejection is based on conclusory arguments that fail to point to any specific deficiencies of the claims. Although he says "nothing is provide [sic] as a result of the process," each of the present application's independent claims require determining at least the present value of future financial value streams. *Office Action of Jan. 24, 2007 at p. 6.* Thus, the results of the claimed invention are indeed useful, concrete, and tangible, and the Board should overturn the § 101 rejection of claims 1-52.

E. The Examiner's requirement for information under 37 C.F.R. § 1.105 is untimely, baseless, vague, and, to the extent that it is comprehensible, has already been fulfilled.

At the end of the Examiner's latest Office Action, he includes a requirement for information under 37 C.F.R. § 1.105 that requests any documents describing "the 'present value,' 'future value,' corporation projection, re-assessing projections, and calculating aggregating future collectable (for example, mortgage companies calculations of stream of collectible for 3 months, 6 months, 1 year, 5 years, 30 years, etc.) [sic]." *Office Action of Jan. 24, 2007 at p. 30.*

As an initial matter, the Examiner's request is untimely because there is no reason he could not have raised this request for information in one of his previous *six* communications with the Appellant during the more than *three years* that have passed since his first Office Action.

In addition, the Examiner's basis for the request for information is an "attorney assertion during interview (paper # 20061130)." *Id.* The paper number 20061130 implies that this interview was held on (or shortly before) November 30, 2006. But the undersigned attorney, who has been prosecuting the present application since at least 2003, has no recollection or records of such an interview. *Declaration of David L. Alberti In Support Of Appellant's Appeal Brief, ¶ 2.* Moreover, the undersigned attorney's time records for November 30, 2006 show that he was not in his office in California on that day, but in Hazlet, New Jersey taking a day-long deposition. *Id. at ¶ 3.* The undersigned attorney's time records for November 29, 2006 also make no mention of an interview with the Examiner. *Id. at ¶ 4.* Rather, they show that he was preparing for the New Jersey deposition and traveling from California to New Jersey. *Id.* In addition, the United State's Patent and Trademark Office's Public PAIR and Private PAIR information systems show no entry on or around November 30, 2006 for the present application. Nor do they show any entry containing a paper # 20061130. The entries closest in time to November 30, 2006 are an October 16, 2006 filing of an appeal brief and a January 4, 2007 entry of the Examiner's search strategy and results. In short, the Examiner's reference to an attorney interview and the alleged "question of public use under 35 U.S.C. 102(b)" that was raised during the interview have no factual basis. *Id.* Accordingly, the requirement for information has no valid basis and should be withdrawn.

Next, the Examiner's references to "corporation projection," "re-assessing projections," "calculating aggregating future collectable," and the "mortgage companies calculations" example

are vague. It is unclear whether these topics refer to specific parts of the specification or claims. If they do, it is unclear what parts of the specification or claims they refer to. If they do not, it is unclear what type of information they are meant to cover and why that information is relevant. The "mortgage companies" example is especially puzzling because the specification makes no reference to mortgages or mortgage companies.

Finally, to the extent that the Examiner's request for information is comprehensible, it is duplicative of a previous request for any documents that describe "the business value creation, evaluation and calculations discloses in application and/or reference publication [sic]." *See Office Communication of Aug. 12, 2003 at p. 2.* Appellant fully complied with the Examiner's previous request for information. *See Appellant's Oct. 14, 2003 Response to Request for Information pp. 2-6.* Thus, Appellant respectfully request the Board to instruct the Examiner to withdraw his latest request, or alternatively, to determine that it has already been satisfied. Should any additional response be required, Appellant states that it is unaware of any §102(b) public use of the claimed inventions.

F. Conclusion

In view of the foregoing arguments, claims 1-52 are patentable over Sandretto and Pilipovic and all proposed combinations of those references, and claims 1-52 meet the patentability requirements of 35 U.S.C. § 101.

The Commissioner is authorized to charge any additional fees which may be required, including petition fees and extension of time fees, to Deposit Account **No. 07-1896** referencing Attorney Docket **No. 350725-991101**. This paper is submitted in triplicate.

Respectfully submitted,

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Dated: May 25, 2007

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VIII. CLAIMS APPENDIX

1. (previously presented): A computer-implemented method of processing data relating to the performance of a business enterprise in creating value, comprising:

developing a data structure, by use of a computer system, including one or more assumed variables that have an influence on a future financial value stream of the business enterprise and at least one future or past event linked to each assumed variable that influences the corresponding assumed variable;

determining, by use of the computer system, a first present value of the future financial value stream of the business enterprise by aggregating the influences on the future financial value stream attributable to the assumed variables and adjusting the future financial value stream for a time value of money;

receiving as input into the computer system data from a user indicating the occurrence or non-occurrence of one or more of the future events;

determining, by use of the computer system and in response to the occurrence or non-occurrence of one or more of the future events, whether one or more of the assumed variables have changed and whether the influenced future financial value stream has changed; and

determining, by use of the computer system, a second present value of the future financial value stream taking into account the one or more assumed variables that changed in response to the occurrence or non-occurrence of the one or more of the future events.

2. (original): The method according to claim 1, wherein determining the first present value further comprises adjusting the future financial value stream by an assessed probability that the

influences on the future financial value stream will be realized, and determining the second present value further comprises adjusting the future financial value stream by an assessed probability that the influences on the future financial value stream will be realized taking into account an assessed probability that changed in response to the occurrence or non-occurrence of the one or more of the future events.

3. (original): The method according to claim 1, wherein the future financial value stream is associated with activities of the business enterprise necessary to give rise to the events associated with the future financial value stream.

4. (original): The method according to claim 1, further comprising:

determining a present value of the future financial value stream by aggregating influences on the future financial value stream attributable to past events; and

determining a reliability index that is indicative of relative magnitudes of the present value of the future financial value stream attributable to past events and the present value of the future financial value stream attributable to future events.

5. (original): The method according to claim 1, wherein the events and assumed variables collectively form a base case scenario for the business enterprise, and the first present value of the future financial value stream is based upon the base case scenario, the method further comprising:

changing one or more of the assumed variables, to form an alternate scenario including the changed assumed variables;

determining the present value of the future financial value stream based upon the alternate scenario; and

comparing the present value of the future financial value stream based upon the alternate scenario to the first present value of the future financial value stream based upon the base case scenario.

6. (original): The method according to claim 1, further comprising selecting a stakeholder perspective from among a plurality of stakeholder perspectives for determining the first and second present values of the future financial value stream.

7. (original): The method according to claim 1, further comprising selecting two or more stakeholder perspectives from among a plurality of stakeholder perspectives for determining the first and second present values of the future financial value stream.

8. (original): The method according to claim 1, wherein the first present value is determined with respect to a first date and the second present value is determined with respect to a second date, and the method further comprises:

determining a variance between the first present value and the second present value taking into account the time value of money between the first and second dates; and

attributing the variance between the first present value and the second present value to events that occurred between the first and second dates.

9. (previously presented): A computer-implemented method of processing data relating to the performance of a business enterprise in creating value, comprising:

developing a data structure, by use of a computer system, including a plurality of future financial value streams, each future financial value stream having one or more assumed variables that have an influence on a future financial value stream of the business enterprise and at least one future or past event linked to each assumed variable that influences the corresponding assumed variable;

determining, by use of the computer system, a present value of each future financial value stream by aggregating the influences on the future financial value stream attributable to the assumed variables of the future financial value streams and adjusting the future financial value streams for a time value of money;

aggregating the present value of each future financial value stream to form a first aggregate present financial value of the plurality of future financial value streams;

receiving as input into the computer system data from a user indicating the occurrence or non-occurrence of one or more of the future events;

determining, by use of the computer system and in response to the occurrence or non-occurrence of one or more of the future events for one or more of the future financial value streams, whether one or more of the assumed variables have changed and whether the influenced future financial value stream has changed; and

forming a second aggregate present value of the plurality of future financial value streams taking into account the one or more assumed variables that changed in response to the occurrence or non-occurrence of the one or more of the future events.

10. (original): The method according to claim 9, wherein determining the present value of each future financial value stream further comprises adjusting the future financial value stream by an assessed probability that the influences on the future financial value stream will be realized.

11. (original): The method according to claim 9, wherein each of the plurality of future financial value streams is associated with activities of the business enterprise necessary to give rise to the events associated with the corresponding future financial value stream.

12. (original): The method according to claim 9, further comprising:

determining a present value of each of the plurality of future financial value streams by aggregating influences on each of the future financial value streams attributable to past transactions; and

determining a reliability index that is indicative of relative magnitudes of the second aggregate present value of the plurality of future financial value streams and an aggregation of present values of the plurality of future financial value streams attributable to past transactions.

13. (original): The method according to claim 9, wherein the events and assumed variables for each of the plurality of future financial value streams collectively form a base case scenario for the business enterprise, and the first aggregate present value of the plurality of future financial value streams is based upon the base case scenario, the method further comprising:

changing one or more of the assumed variables, to form an alternate scenario including the changed assumed variables;

determining an aggregate present value of the plurality of future financial value streams based upon the alternate scenario; and

comparing the aggregate present value of the plurality of future financial value streams based upon the alternate scenario to the first aggregate present value of the plurality of future financial value streams based upon the base case scenario.

14. (original): The method according to claim 9 further comprising selecting a stakeholder perspective from among a plurality of stakeholder perspectives for determining the first and second aggregate present value of the plurality of future financial value streams.

15. (original): The method according to claim 9, further comprising selecting two or more stakeholder perspectives from among a plurality of stakeholder perspectives for determining the first and second aggregate present value of the plurality of future financial value streams.

16. (original): The method according to claim 9, wherein the first aggregate present value is determined with respect to a first date and the second aggregate present value is determined with respect to a second date, and the method further comprises:

determining a variance between the first aggregate present value and the second aggregate present value taking into account the time value of money between the first and second dates; and

attributing the variance between the first aggregate present value and the second aggregate present value to events that occurred between the first and second dates.

17. (previously presented): A computer-implemented method of processing data relating to the performance of a business enterprise in creating value, comprising:

developing a data structure, by use of a computer system, including one or more assumed variables that have an influence on a future financial value stream of the business enterprise and at least one future or past event linked to each assumed variable that influences the corresponding assumed variable;

determining, by use of the computer system, a first present value of the future financial value stream of the business enterprise as of a first specified date by aggregating the influences on the future financial value stream attributable to the assumed variables and adjusting the future financial value stream for a time value of money;

determining, by use of the computer system, a second present value of the future financial value stream of the business enterprise as of a second specified date by aggregating the influences on the future financial value stream attributable to the assumed variables and adjusting the future financial value stream for a time value of money;

determining, by use of the computer system, a variance between the first present value and the second present value taking into account a time value of money between the first and second dates; and

attributing the variance between the first present value and the second present value to events that occurred between the first and second specified dates.

18. (original): The method according to claim 17, wherein determining a first present value further comprises adjusting the future financial value stream by an assessed probability that the influences on the future financial value stream will be realized, and determining the second

present value further comprises adjusting the future financial value stream by an assessed probability that the influences on the future financial value stream will be realized.

19. (original): The method according to claim 17, further comprising selecting a stakeholder perspective from among a plurality of stakeholder perspectives for determining the first and second present values of the future financial value stream.

20. (original): The method according to claim 17, further comprising:

determining a present value of each of a plurality of additional future financial value streams; and

aggregating the present value of the future financial value stream and the plurality of additional future financial value streams to form an aggregate present financial value of future financial values streams

21. (previously presented): A computer-implemented method of processing data relating to the performance of a business enterprise in creating value, comprising:

selecting a stakeholder perspective from among a plurality of stakeholder perspectives for determining a present value of a future financial value stream of the business enterprise;

developing, by use of a computer system, a data structure including one or more assumed variables that have an influence on the future financial value stream of the business enterprise from the perspective of the selected stakeholder and at least one

future or past event for linked to each assumed variable that influences the corresponding assumption; and

determining, by use of the computer system, a present value of the future financial value stream of the business enterprise from the perspective of the selected stakeholder by aggregating the influences on the future financial value stream attributable to the assumed variables and adjusting the future financial value stream for a time value of money.

22. (original): The method according to claim 21, wherein determining the present value further comprises adjusting the future financial value stream by an assessed probability that the influences on the future financial value stream will be realized.

23. (original): The method according to claim 21, wherein the future financial value stream is associated with activities of the business enterprise necessary to give rise to the events associated with the future financial value stream.

24. (original): The method according to claim 21, further comprising selecting one or more additional stakeholder perspectives from among the plurality of stakeholder perspectives for determining the first present value of the future financial value stream.

25. (original): The method according to claim 21, further comprising:

determining a present value of the future financial value stream by aggregating influences on the future financial value stream attributable to past events; and

determining a reliability index that is indicative of relative magnitudes of the present value of the future financial value stream attributable to past events and the present value of the future financial value stream attributable to future events.

26. (original): The method according to claim 21, wherein the events and assumed variables collectively form a base case scenario for the business enterprise, and the present value of the future financial value stream is based upon the base case scenario, the method further comprising:

changing one or more of the assumed variables, to form an alternate scenario including the changed assumed variables;

determining the present value of the future financial value stream based upon the alternate scenario; and

comparing the present value of the future financial value stream based upon the alternate scenario to the first present value of the future financial value stream based upon the base case scenario.

27. (original): The method according to claim 21, further comprising:

determining a present value of each of a plurality of additional future financial value streams from the perspective of the selected stakeholder; and

aggregating the present value of the future financial value stream and the plurality of additional future financial value streams to form an aggregate present financial value of future financial values streams.

28. (original): The method according to claim 21, further comprising repeatedly determining and presenting a series of updated present values of the future financial value stream, each updated present value determined from the events and assumed variables in the data structure including any assumed variables that have changed in response to the occurrence or non-occurrence of one or more of the future events.

29. (previously presented): A computer-implemented method of processing data relating to the performance of a business enterprise in creating value, comprising:

developing a data structure, by use of a computer system, including one or more assumed variables that have an influence on a future financial value stream of the business enterprise and at least one future or past event linked to each assumed variable that influences the corresponding assumed variable;

identifying and segregating risks specific to the future financial value stream from risks specific to the business enterprise or industry as a whole;

assigning probabilities to the events or assumed variables based on the identified risks;

determining, by use of the computer system, a first present value of the future financial value stream of the business enterprise by aggregating the influences on the future financial value stream attributable to the assumed variables, adjusting the future financial values stream by the assigned probabilities, and further adjusting the future financial value stream for a time value of money;

receiving as input into the computer system data from a user indicating the occurrence or non-occurrence of one or more of the future events;

determining, by use of the computer system and in response to the occurrence or non-occurrence of one or more of the future events, whether one or more of the assumed variables have changed and whether the influenced future financial value stream has changed; and

determining, by use of the computer system, a second present value of the future financial value stream taking into account the one or more assumed variables that changed in response to the occurrence or non-occurrence of the one or more of the future events.

30. (original): The method according to claim 29, wherein the future financial value stream is associated with activities of the business enterprise necessary to give rise to the events associated with the future financial value stream.

31. (original): The method according to claim 29, further comprising:

determining a present value of the future financial value stream by aggregating influences on the future financial value stream attributable to past events; and

determining a reliability index that is indicative of relative magnitudes of the present value of the future financial value stream attributable to past events and the present value of the future financial value stream attributable to future events.

32. (original): The method according to claim 29, wherein the events and assumed variables collectively form a base case scenario for the business enterprise, and the first present value of

the future financial value stream is based upon the base case scenario, the method further comprising:

changing one or more of the assumed variables, to form an alternate scenario including the changed assumed variables;

determining the present value of the future financial value stream based upon the alternate scenario; and

comparing the present value of the future financial value stream based upon the alternate scenario to the first present value of the future financial value stream based upon the base case scenario.

33. (original): The method according to claim 29, further comprising selecting a stakeholder perspective from among a plurality of stakeholder perspectives for determining the first and second present values of the future financial value stream.

34. (original): The method according to claim 29, further comprising selecting two or more stakeholder perspectives from among a plurality of stakeholder perspectives for determining the first and second present values of the future financial value stream.

35. (original): The method according to claim 29, wherein the first present value is determined with respect to a first date and the second present value is determined with respect to a second date, and the method further comprises:

determining a variance between the first present value and the second present value taking into account the time value of money between the first and second dates; and

attributing the variance between the first present value and the second present value to events that occurred between the first and second specified dates.

36. (original): The method according to claim 29, further comprising:

determining a present value of each of a plurality of additional future financial value streams; and

aggregating the present value of the first future financial value stream and the plurality of additional future financial value streams to form an aggregate present financial value of future financial values streams.

37. (previously presented): A computer-implemented method of processing data relating to the performance of a business enterprise in creating value, comprising:

developing, by use of a computer system, a data structure including one or more assumed variables that have an influence on a future financial value stream of the business enterprise and at least one future or past event linked to each assumed variable that influences the corresponding assumed variable;

determining, by use of the computer system, a present value of the future financial value stream of the business enterprise by aggregating the influences on the future financial value stream attributable to the assumed variables and adjusting the future financial value stream for a time value of money, wherein the events and assumed variables collectively form a base case scenario for the business enterprise, and the first present value of the future financial value stream is based upon the base case scenario;

changing one or more of the assumed variables, to form an alternate scenario including the changed assumed variables;

determining, by use of the computer system, the present value of the future financial value stream based upon the alternate scenario; and

comparing the present value of the future financial value stream based upon the alternate scenario to the first present value of the future financial value stream based upon the base case scenario.

38. (original): The method according to claim 37, wherein determining the present value further comprises adjusting the future financial value stream by an assessed probability that the influences on the financial value stream will be realized.

39. (original): The method according to claim 37, wherein the future financial value stream is associated with activities of the business enterprise necessary to give rise to the events associated with the future financial value stream.

40. (original): The method according to claim 37, further comprising:

determining a present value of the future financial value stream by aggregating influences on the future financial value stream attributable to past events; and

determining a reliability index that is indicative of relative magnitudes of the present value of the future financial value stream attributable to past events and the present value of the future financial value stream attributable to future events.

41. (original): The method according to claim 37, further comprising selecting a stakeholder perspective from among a plurality of stakeholder perspectives for determining the present value of the future financial value stream.

42. (original): The method according to claim 37, further comprising selecting two or more stakeholder perspectives from among a plurality of stakeholder perspectives for determining the present value of the future financial value stream.

43. (original): The method according to claim 37, further comprising:

determining a present value of each of a plurality of additional future financial value streams; and

aggregating the present value of the first future financial value stream and the plurality of additional future financial value streams to form an aggregate present financial value of future financial values streams.

44. (previously presented): A computer-implemented method of processing data relating to the performance of a business enterprise in creating value, comprising:

developing, by use of a computer system, a data structure including one or more assumed variables that have an influence on a future financial value stream of the business enterprise and at least one future or past event linked to each assumed variable that influences the corresponding assumed variables;

determining, by use of the computer system, a first present value of the future financial value stream of the business enterprise by aggregating the influences on the

future financial value stream attributable to the assumed variables and adjusting the future financial value stream for a time value of money; and

repeatedly determining and presenting a series of updated present values of the future financial value stream, each updated present value determined from the events and assumed variables in the data structure including any assumed variables that have changed in response to the occurrence or non-occurrence of one or more of the future events.

45. (original): The method according to claim 44, wherein determining the first present value and determining each updated present value further comprise adjusting the future financial value stream by an assessed probability that the influences on the future financial value stream will be realized.

46. (original): The method according to claim 44, wherein the future financial value stream is associated with activities of the business enterprise necessary to give rise to the events associated with the future financial value stream.

47. (original): The method according to claim 44, further comprising:

determining a present value of the future financial value stream by aggregating influences on the future financial value stream attributable to past events; and

determining a reliability index that is indicative of relative magnitudes of the present value of the future financial value stream attributable to past events and the present value of the future financial value stream attributable to future events.

48. (original): The method according to claim 44, wherein the events and assumed variables collectively form a base case scenario for the business enterprise, and the first present value of the future financial value stream is based upon the base case scenario, the method further comprising:

changing one or more of the assumed variables, to form an alternate scenario including the changed assumed variables;

determining the present value of the future financial value stream based upon the alternate scenario; and

comparing the present value of the future financial value stream based upon the alternate scenario to the first present value of the future financial value stream based upon the base case scenario.

49. (original): The method according to claim 44, further comprising selecting a stakeholder perspective from among a plurality of stakeholder perspectives for determining the first and second present values of the future financial value stream.

50. (original): The method according to claim 44, further comprising selecting two or more stakeholder perspectives from among a plurality of stakeholder perspectives for determining the first and second present values of the future financial value stream

51. (original): The method according to claim 44, wherein the first present value is determined with respect to a first date and a selected one of the updated present values is determined with respect to a second date, and the method further comprises:

determining a variance between the first present value and the selected updated present value taking into account the time value of money between the first and second dates; and

attributing the variance between the first present value and the selected updated present value to events that occurred between the first and second dates.

52. (original): The method according to claim 44, further comprising:

determining a present value of each of a plurality of additional future financial value streams; and

aggregating the present value of the first future financial value stream and the plurality of additional future financial value streams to form an aggregate present financial value of future financial values streams.

IX. EVIDENCE APPENDIX

A. Exhibit A - Declaration of David L. Alberti in support of Appellant's Appeal Brief.

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Patent Application of Robert I.G. MCLEAN, et al.

Application No. 09/574,569

Attorney Docket No. 350725-991100 (2101197)

Filed: May 17, 2000

For: CONTINUOUSLY UPDATED DATA PROCESSING SYSTEM FOR MEASURING FINANCIAL VALUE CREATION

Group Art Unit: 3628

Examiner: Dass, Harish T.

DECLARATION OF DAVID L. ALBERTI IN SUPPORT OF APPELLANT'S APPEAL BRIEF

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May 25, 2007

Maria Paula Kovacs

Dear Sir/Madam:

This is a declaration in support of the appeal brief filed in response to a non-final Office Action dated January 24, 2007, and from a Notice of Appeal that was filed on March 23, 2007.

I. DECLARATION

I, David L. Alberti, hereby declare and state as follows:

1. I am a partner with the law firm of DLA Piper US LLP. I have been the prosecuting attorney for the application referenced above since at least October 2003. I have personal knowledge of the facts stated herein. If called as a witness, I could and would competently testify thereto.

2. I have no recollection of participating in any interview with an Examiner on or around November 30, 2006 in connection with the application referenced above. Nor do I have any records of such an interview.

3. My time records for November 30, 2006 make no mention of an interview with an Examiner. Rather, they show that I was not in my office in California on that day, but in Hazlet, New Jersey taking a day-long deposition.

4. My time records for November 29, 2006 make no mention of an interview with an Examiner. Rather, they show that I was preparing for the New Jersey deposition and traveling from California to New Jersey.

5. My time records for December 1, 2006 make no mention of an interview with an Examiner. Rather, they show that I was not in my office in East Palo Alto, California on that day, but in San Diego, California taking a day-long deposition.

I declare under penalty of perjury that the foregoing is true and correct.

Respectfully submitted,

DLA Piper US LLP

Dated: May 25, 2007

By: _____

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B. RELATED PROCEEDINGS APPENDIX

NONE